

REQUEST FOR APPROVAL

To: **Howard Levenson**
Deputy Director, Materials Management and Local Assistance Division

Alicia McGee
Deputy Director, Office of Public Affairs

Through: **Shirley Willd-Wagner**
Branch Chief, Financial Resources Management Branch

From: **Corky Mau**
Section Manager, Financial Resources Management Branch

Mark Oldfield
Supervisor, Office of Public Affairs

Request Date: December 15, 2010

Decision Subject: Approval of Scope of Work for a Statewide Outreach and Education Campaign for Used Oil and Filter Recycling (Used Oil Recycling Fund, FY 2010/11)

Action By: December 30, 2010

Summary of Request:

The passage of Senate Bill 546 provides CalRecycle flexibility to expend appropriated funding on grants or contracts to meet Used Oil program priorities. Based on the limited funding remaining available for Fiscal Year (FY) 2010/11 after implementation of Used Oil Payments, stakeholder input, and pursuant to the statutory provision regarding an education and outreach campaign, staff recommends using a contractual approach for this campaign in lieu of grants. This memo requests approval of the Scope Of Work (SOW) for a Statewide Education and Outreach Campaign for Used Oil and Filter Recycling that focuses on Certified Collection Centers (CCC) and used oil filter recycling.

The Financial Resources Management Branch (FiRM), Used Oil Grant Program is working jointly with Office of Public Affairs (OPA) on this new outreach campaign. Key components of this campaign include:

- 1) The continuation and expansion of the successful 2008 "3,000 Mile Myth" campaign
- 2) A pilot program to encourage CCCs in a targeted region to accept used oil filters
- 3) A statewide CCC public education program for an oil filter collection/exchange program aimed at the do-it-yourself oil changers.

The SOW (Attachment 1) provides more specific details for the contract proposal. OPA, with expertise in marketing and media outreach, will issue the Request For Proposal and manage the contract. FiRM staff will coordinate with OPA in administering contractor activities directly related to the CCCs and grantees.

Recommendation:

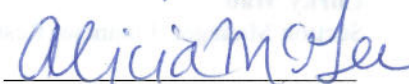
Staff recommends approval of the proposed Scope of Work (Attachment 1) for a Statewide Education and Outreach Campaign for Used Oil and Filter Recycling. This contract will be funded from the Used Oil Recycling Fund at an amount not to exceed \$1,500,000 for the tasks outlined in the SOW.

Deputy Director Action:

On the basis of the information and analysis in this Request for Approval and the findings herein, we hereby approve the SOW for a Statewide Education and Outreach Campaign for Used Oil and Filter Recycling in an amount not to exceed one million five hundred thousand dollars (\$1,500,000), subject to availability of funds appropriated to this program.

Dated:12/15/10

Howard Levenson
Deputy Director

Dated:12/20/10

Alicia McGee
Deputy Director

Attachment: Scope of Work

Statewide Outreach and Education Campaign for Used Oil and Oil Filter Recycling

Background Information

The California Oil Recycling Enhancement (CORE) Act of 1991 (Act) provides the requirements for responsible management of used oil in California. The Act also requires CalRecycle to adopt a Used Oil Recycling Program that promotes and develops alternatives to the illegal disposal of used oil. CalRecycle receives an annual appropriation from the Used Oil Recycling Fund (PRC 48632) to administer the program, with funding derived from oil manufacturer fees on lubricating oil sold in California. With the passage of SB 546 in 2009, the oil manufacturer fee was increased from \$0.16/gallon to the current rate of \$0.26/gallon, effective January 1, 2010. The passage of SB 546 and specifically Public Resources Code (PRC) Section 48631(b) also permits CalRecycle increased flexibility in offering used oil grants or contracts to local governments, nonprofit entities, or private entities, to meet program priorities. Further, PRC Section 48632 (g) provides CalRecycle the flexibility to fund an information and education program pursuant to PRC Section 48631(c).

Used Oil Competitive Grants were last awarded in FY 2007/08. Available funding levels have dropped over the years from the first cycles in 1993-1995 with up to \$9.5 million available, to only \$2.4 million available in FY 2007/08. Competitive grant funding priority categories have varied over the cycle years and included targeting underserved populations and non-English speakers, focusing on specialized audiences, e.g. boaters and agriculture, promoting the use of refined oil, and expanding used oil and/or filter collection infrastructure. In addition to reduced funding levels, applications for these grants have also decreased. In FY 2007/08, not enough passing applications were received to use all of the available funds.

Since the last grant offering, CalRecycle has sought input from grantees, via electronic surveys and through discussions at Household Hazardous Waste Information Exchanges, about potential program improvements and the most viable ways to utilize limited funds. Stakeholders have expressed support for CalRecycle to provide statewide contracted services or direct assistance to grantees for publicity/outreach in the form of a statewide campaign. Specific ideas include:

- Provide more standardized promotional items such as oil containers, and branding of used oil and filter recycling that can be used by all.
- Provide written material on the 3,000 mile myth.
- Share what local jurisdictions are doing in their efforts to increase the used oil recycling message (e.g. unique outreach, events, flyers, vendors; online access to basic educational materials in multiple languages).
- Provide training about the Certified Collection Center (CCC) Program including a video showing the ideal CCC visit. Also, provide help in securing partnerships with automobile parts stores.
- Work with automobile parts chain stores at the corporate level to help set up free filter exchange programs, and develop an accurate method for tracking the number of used oil filters at certified collection centers.
- Provide training to local jurisdictions about how to improve used oil collection programs (e.g., what works well and what does not in other jurisdictions).

Process

The Office of Public Affairs (OPA), with expertise in marketing and media outreach, will issue the Request for Proposal and administer the contract. Staff from the Financial Resources Management (FiRM) Branch will coordinate with OPA on all CCC and grantee related tasks to ensure the contractor is meeting the goals and objectives of the Scope of Work (SOW). Bi-weekly meetings between OPA and FiRM staff will be scheduled throughout the contract term. It is anticipated that identified contract tasks will be completed within 15 months after the date of contract execution.

Statewide Public Education and Outreach Campaign for Used Oil and Filter Recycling

The proposed SOW is comprised of three major activities that will complement existing used oil grantee activities:

The 3,000 Mile Myth Campaign

The primary activity will be to revitalize the highly successful 3,000 Mile Myth Campaign that was previously conducted through OPA in 2008. The campaign was approved at the June 12, 2007 California Integrated Waste Management Board meeting and included an effective media and advertising strategy and timeline to “bust” the 3,000 Mile Myth. The 3,000 Mile Myth campaign was developed with a message based on information gathered from a 2007 study: “Used Oil Source Reduction Study: Busting the 3,000 Mile Myth” conducted by the California State University San Marcos.

The 3,000 Mile Myth message reached motorists and vehicle owners (specifically, do-it-yourself oil changers and the quick lube customers) with education about following automobile manufacturer recommended oil change timelines. For background, due to recent improvements in engine design and motor oil composition, many auto manufacturers today recommend an extended oil change interval of every 5,000 to 7,500 miles or more (depending on the car owner’s typical driving conditions) to maintain car warranties. Despite the longer oil change interval recommended in car owner’s manuals, some motorists still adhere to the 3,000 mile oil change interval. These practices result in the generation and disposal of more used motor oil than is necessary each year.

Promote Used Oil Certified Collection Centers

CalRecycle encourages the recycling of used motor oil by certifying used oil recycling collection centers throughout the state. Presently, there are 3,100 CCCs located throughout California that will take used motor oil from the public and will pay \$0.40 per gallon to the generator. Most centers will take up to five gallons at a time.

To be eligible for certification by CalRecycle, a CCC must accept used lubricating oil from the public at no charge during the hours that the center is open and provide upon request \$0.40 per gallon, or \$0.10 per quart, to them. A CCC must also provide notice to the public, through on-site signs and periodic advertising in local media, of the center's acceptance of used lubricating oil.

Promoting CCCs through a statewide campaign can educate the public on the proper management of used oil and filters as well as to help recruit new CCCs. Campaign activities may also include a targeted educational program to corporate headquarters of automobile parts retail stores to facilitate new CCC recruitment.

Educate the Public on Recycling Used Oil Filters

Used oil filters are considered hazardous waste and are banned from landfills; however, they are also completely recyclable. Each filter has about a pound of re-usable steel. In addition to recycling steel, it's important to recycle oil filters since each oil filter has on average, more than 10 fluid ounces of used motor oil, even after draining! All of this trapped motor oil can add up to more than two million gallons of used oil going into the environment, the water system or into landfills in California each year from filters that are not properly recycled.

Grantees have stated that there is a need to educate the Do-It-Yourself (DIY) community about the importance of recycling used oil filters. Many DIY residents and possibly, CCC owners, are unaware that used oil filters can be recycled. A pilot program will be conducted in a targeted jurisdiction or region to encourage CCCs to accept used oil filters. Based on the results of the pilot program, a model program will be developed for replication in other parts of the State.

Proposed Education and Outreach Campaign Budget

Task	Contract Activity	Estimated Budget	Estimated Timeframe
1	Develop Workplan		April-May 2011
2	Campaign Research	\$ 30,000	May-June 2011
3	The 3,000 Mile Myth Campaign	\$ 700,000	June 2011 - April 2012
4	Pilot Program: Certified Collection Centers	\$ 270,000	June 2011 - April 2012
5	Education Materials for Jurisdictions	\$ 500,000	June 2011 - April 2012
6	Progress Reports Final Report		April 2011 – June 2012 September 2012
Total Budget		\$1,500,000	

Proposed Contract Timeline

Activity	Timeframe
Post Request for Proposal	January 2011
Contract Proposals Due	February 2011
Award Contract	April 2011
Contract Ends	September 2012